

Status of the PFC Program

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Importance of Program

- The PFC program has become increasingly important to airport finance.
 - PFC's are a reliable and growing source of revenue.
 - Can be used with more flexibility than AIP funds or rates and charges revenue.
 - Particularly true for large and medium hub airports.

Key Statistics

- \$18.8 billion approved for collection.
- Annual collections have grown steadily since 1992
 - \$85 million in CY 1992.
 - \$1.223 billion in CY 1997.
- 290 location approved for collection - 272 locations are currently collecting.

Perception of the PFC Program

- Overall, the PFC program has been successful and well-received.
- The Administration strongly supports the PFC program and has proposed \$1 increase to the PFC cap.
- However, some controversy exists.

Perception of the PFC Program (continued)

- Most PFC applications address recognized airport needs and are not controversial.
- Certain projects (e.g. terminal gates, GA aprons) are controversial for competitive or other reasons.
- However, a few projects generate substantial opposition that can overshadow the consensus typical of most decisions.

Expediting the PFC Process

- Controversy frequently results because of confusion about a proposed project rather than the project's actual merits.
- PFC applications should be complete, describe projects fully, and clearly demonstrate why projects are needed.
- Quality of consultation is particularly critical to expeditious decision.

Expediting the PFC Process (continued)

- FAA regional and field personnel play an essential role in all PFC decisions.
- Care should be exercised in finding that applications are substantially complete.
- Well-prepared applications are particularly important in light of a trend toward more projects in PFC applications.

Issues of Concern

- Remittance of PFC revenue.
- Audit guidelines.
- Long-term exclusive use leases.
- Termination protection language.
- Recovery of local funds.
- Amendments.

Questions, Comments, Concerns?

APP-530 looks forward to this week as an opportunity to exchange information and ideas on these and other issues.